

HOUSE BILL REPORT

SHB 2118

As Amended by the Senate

Title: An act relating to transferring responsibilities related to mobile and manufactured home installation from the department of community, trade, and economic development to the department of labor and industries.

Brief Description: Transferring responsibilities related to mobile and manufactured home installation from the department of community, trade, and economic development to the department of labor and industries.

Sponsors: By House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Conway, Wood and Ormsby).

Brief History:

Committee Activity:

State Government & Tribal Affairs: 2/21/07, 2/26/07 [DPS].

Floor Activity:

Passed House: 3/13/07, 93-3.

Senate Amended.

Passed Senate: 4/11/07, 42-3.

Brief Summary of Substitute Bill

- Transfers all regulatory and other responsibilities, including State Administrative Agency function, for mobile and manufactured home installation from the Department of Community, Trade and Economic Development to the Department of Labor and Industries.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Hunt, Chair; Appleton, Vice Chair; Armstrong, Assistant Ranking Minority Member; Green, McDermott, Miloscia and Ormsby.

Minority Report: Do not pass. Signed by 2 members: Representatives Chandler, Ranking Minority Member and Kretz.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Colleen Kerr (786-7168).

Background:

The Department of Community, Trade and Economic Development (DCTED) houses the Office of Mobile/Manufactured Housing (OMH). One function of the OMH is the Mobile and Manufactured Home Installation Certification Program (Certification Program), created by the Legislature in 1994. The Certification Program is a function of the State Administrative Agency for Washington's federal Housing and Urban Development dollars for enforcing federal management housing standards. The intent of the Certification Program is to ensure that all mobile and manufactured homes are installed by certified manufactured home installers in accordance with the state installation code in order to provide consumers with greater protections and make the warranty requirement easier to achieve.

Since 1995, Washington has required that certified installers supervise all mobile or manufactured home installations. The certified installer is responsible for reading, understanding, and following the manufacturer's installation instructions and for the performance of non-certified workers engaged in the installation of the home. There must be at least one certified installer on the installation site whenever installation work is being performed.

To receive a certificate of manufactured home installation, individuals must apply to the DCTED. This application must include documentation of six months experience under the direct supervision of a certified manufactured home installer. The Director (Director) of the DCTED reviews the information and makes a determination of whether the applicant is eligible for the training course and examination necessary for certification. The Director may allow other persons to take the training course and examination on manufactured home installation without certification.

The examination for the Certification Program evaluates whether the applicant:

- possesses general knowledge of the technical information and practical procedures that are necessary for mobile and manufactured home installation;
- is familiar with the federal and state codes and administrative rules pertaining to mobile and manufactured homes; and
- is familiar with the local government regulations as related to mobile and manufactured home installations.

The DCTED issues certificates of mobile and manufactured home installation to applicants who have taken the training course, passed the examination, paid the fees, and in all other respects meet the qualifications. The certificate shall bear the date of issuance, and a certification identification number, and is renewable every three years upon application and completion of a continuing education program as determined by the DCTED. Every certificate requires renewal. If a person fails to renew a certificate by the renewal date, the person must retake the examination and pay the examination fee.

Individuals certified in mobile and manufactured home installation are authorized to engage in manufactured home installation throughout the state, without any other installer certification.

Certificates may be revoked upon the following grounds:

- the certificate was obtained through error or fraud;
- the holder of the certificate is judged to be incompetent as a result of multiple infractions of the state installation code; or
- the holder has violated a provision of this chapter or a rule adopted to implement this chapter.

Summary of Substitute Bill:

All regulatory and other responsibilities, including any express authority, duties, and specific functions of and for mobile and manufactured home installation are transferred from the Department of Community, Trade and Economic Development (DCTED) to the Department of Labor and Industries (L&I). This includes:

- all reports, surveys, books, records, files, and written materials that pertain to mobile and manufactured home installation;
- all furniture, office equipment, motor vehicles, and other tangible property pertaining to mobile and manufactured home installation;
- any relevant appropriated and non-appropriated funds; and
- all employees engaged in performing the powers, duties, and functions related to mobile and manufactured home installation.

The State Administrative Agency function that administers the DCTED's delegated authority under The National Manufactured Housing Construction and Safety Standards Act of 1974, 42 United States Code 5401, et seq., and 24 Code of Federal Regulations (CFR) 3280 and 3282 is specifically transferred from the DCTED to the L&I.

The L&I shall continue all rules and pending business pertaining to mobile and manufactured home installation and shall respect all existing contracts.

The Director of the Office of Financial Management (OFM) shall decide all questions with regard to the transfer of personnel, funds, books, documents, records, papers, files, equipment or other tangible property with respect to mobile and manufactured home installation from the DCTED to the L&I; the Director of the OFM shall also determine all necessary budget apportionments.

All references to the DCTED in statute relating to these duties and functions is changed to the L&I.

EFFECT OF SENATE AMENDMENT(S):

The Senate striking amendment clarifies that the Department of Community, Trade and Economic Development is not the state government coordinating office for manufactured housing, that function transfers to the Department of Labor and Industries. Fees collected by the LNI from the federal government for enforcing the National Manufactured Housing

Standards are deposited into the Manufactured Home Installation Training Account. Until July 1, 2008, the LNI is allowed to increase fees for the certification program in excess of fiscal growth in order to implement the bill.

Appropriation: None.

Fiscal Note: Requested on February 8, 2007.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In support) Washington Manufactured Housing Association (WMHA) represents the 17 separate builders throughout the northwest who provide the manufactured housing for our state market, over 65 retail locations and the lenders who provide our homeowner loans and are currently providing approximately 7 percent of the housing starts in Washington.

Regulation for manufactured housing has always been spread out over several state agencies resulting in some confusion and contradiction for consumers and industry alike. In 1992, a legislative task force examined this problem and recommended that manufactured housing regulation be consolidated as much as possible into one agency. The Office of Community Development was then viewed as developing into the state's "housing" agency and the Office of Manufactured Housing was chosen as the new home for this consolidation of all manufactured housing regulation. Over the next couple years a number of programs were moved to that agency. Among them, the two programs that are the subject of this bill: the State Administrative Agency (SAA) program which is a contract program with HUD to handle all consumer complaints and plant monitoring and the Installer Training and Certification program.

In 1994, however, there was a merger of the agency with Trade that ended the "housing agency" direction. The DCTED decided it did not want to embrace any of the technical inspection or compliance aspects of these programs; under pressure they contracted out for some services and abandoned compliance altogether. Some of the consolidated functions, like titling that originally had been moved from DOL to DCTED, were moved back a number of years ago.

At the close of 2006, the WMHA realized that the DCTED had become a clerical/administrative service to functions contracted out to the L&I; management positions over these two programs had been vacant for almost one year; and, program staff and fees were continually being diverted to the landlord/tenant and park relocation programs. Further, the DCTED missed the December 2005 deadline for program certification with HUD, putting all state housing programs at risk of being defaulted to HUD. Prior to this, Washington (and the northwest states) were seen as leaders in having progressive and professional state programs that were held up as examples nationally. Ultimately, this consolidation didn't work and functionally ended up just adding another layer of confusion in this regulatory chart.

These programs are both funded by industry and user fees and the WMHA respectfully requests support for HB 2118 to move these programs back to the L&I where they have the qualified personnel and compliance infrastructure to properly carry them out.

(Opposed) None.

Persons Testifying: (In support) Mike Ryherd and Joan Brown, Washington Manufactured Housing Association.

Persons Signed In To Testify But Not Testifying: None.